

San Ildefonso Services, LLC
Sixth Amended Operating Agreement
(Effective December 31, 2018)

1. Preliminary Provisions.

1.1. *LLC Creation.* The San Ildefonso Services, Limited Liability Company was created by the Pueblo de San Ildefonso, a federally-recognized sovereign, by Tribal Council Resolution No. SI-R07-020, which approved Articles of Organization for San Ildefonso Services, LLC (formerly known as San Ildefonso Custodial, LLC).

1.2. *Effective Date.* This Sixth Amended Operating Agreement is effective the last date of signing shown at the end of this agreement, and is adopted by the Member whose authorized representative's signature appears in the end of this Agreement.

1.3. *Formation.* San Ildefonso Custodial, LLC was formed under the laws and inherent powers of the Pueblo de San Ildefonso as described in Tribal Council Resolution No. SI-R07-020.

1.4. *Name.* The formal name of this LLC was changed from San Ildefonso Custodial, LLC to San Ildefonso Services, LLC. However, this LLC may do business under a different name by complying with any jurisdiction's fictitious or assumed business name statutes and procedures where applicable.

1.5. *Principal Office.* The street address of the principal place of business is at San Ildefonso Services, LLC, 135 State Rd. 4, White Rock, New Mexico 87547-3749.

1.6. *Registered Office and Agent.* The registered office of this LLC is the same as the principal office and the registered agent(s) at that address is as follows: 135 State Rd. 4, White Rock, New Mexico 87547-3749. The registered office and agent(s) may be changed from time to time as the Manager may see fit, by filing a change of registered agent or registered office form, or such similar document, with the Governor's Office of the Pueblo. It will not be necessary to amend this provision of the Operating Agreement if and when such a change is made.

1.7. *Business Purposes.* The specific business purposes and activities contemplated by the sole Member of this LLC at the time of initial signing this agreement consist of the following: federal contracting and any other business ventures to support economic development in the best interest of the Pueblo de San Ildefonso and its members. It is understood that the foregoing statement of purposes shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities, provided that Member's Representatives approve the new business activity. If this LLC intends to engage in business activities outside the Pueblo's jurisdiction that requires the qualification of the LLC in other jurisdictions, it shall obtain such qualifications before engaging in such out-of-jurisdiction activities.

1.8. *Duration of LLC.* The duration of this LLC shall be perpetual unless sooner terminated as provided herein. Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the Member of this LLC or when this LLC is otherwise terminated in accordance with law.

2. **Management Provisions.**

2.1. *Management by Manager.* This LLC will be managed by a single Manager selected by the Member's Representatives, in accordance with the Articles of Organization.

2.2. *Nonliability of Manager.* The Manager of this LLC shall not be personally liable for the expenses, claims, debts, obligations or liabilities of the LLC, Member, or previous managers, or for claims made against the LLC, Member or previous managers, unless either Manager personally guaranteed such expense, claim, debt, obligation or liability or personal liability is permitted under the Articles of Organization.

2.3. *Authority of Manager.* The Manager shall make all management decisions relating to this LLC's business.

2.4. *Term of Manager.* According to the Articles, the Manager shall serve until the earlier of the following events:

2.4.1. The Manager becomes disabled, dies, retires or otherwise resigns from office;

2.4.2. The Manager is removed from office; or

2.4.3. The Manager's term expires.

Upon the happening of any of these events, the business of the LLC will continue and a new Manager may be appointed to replace the departing manager by a majority vote of the Member's Representatives present at a duly called meeting, pursuant to the Articles of Organization.

2.5. *Qualification of Manager.* The Articles of Organization sets forth the Qualifications of the Manager.

2.6. *Removal of Manager.* The Manager may be removed by the Member's Representatives consistent with the Articles of Organization.

2.7. *Manager's Commitment to LLC.* The Manager shall devote his or her best efforts and energy working to achieve the business objectives and financial goals of this LLC. By agreeing to serve as a Manager for the LLC, the Manager shall agree not to work for another business, enterprise or endeavor, owned or operated by himself or herself or others, if such outside work or

efforts would compete with the LLC's business goals, mission, products or services, or would diminish or impair the Manager's ability to provide maximum effort and performance to managing the business of this LLC.

2.8. *Compensation of Manager.* The Manager of this LLC may: (a) be reimbursed actual expenses advanced by them to attend to management business for the LLC, (b) be compensated in other ways for performing his or her duties as Manager, (c) work in other capacities for this LLC, or (d) be compensated separately for performing these additional services, whether as officers, staff, consultants, independent contractors or in other capacities, provided that any proposed contract or agreement with a business in which the Manager has any financial interest shall be disclosed to the full body of Member's Representative before considering it for approval. The Manager can provide such services so long as it does not present a conflict of interest as identified in the Articles of Organization.

2.9. *Manager Resolutions.* If required by the Articles of Organization, any contract or applicable law, the Manager may adopt and execute resolutions on behalf of the LLC and such resolutions will not require the approval of the Pueblo de San Ildefonso or the Secretary of the Interior, unless otherwise stated. The Manager must adopt resolutions for any waiver of the LLC's sovereign immunity in accordance with the Articles of Organization.

3. Membership Provisions.

3.1. *Member's Representatives.* The Member's Representatives are comprised of a group of individuals appointed pursuant to the Articles of Organization. Decisions by the Member's Representatives shall be rendered consistent with the procedures outlined in the Articles of Organization and tribal laws.

3.2. *Nonliability of Member.* Neither Member nor Member's Representatives shall be personally liable for the expenses, claim, debts, obligations or liabilities of the LLC or its Manager, or for claims made against the LLC, or its Manager, unless personally guaranteed by the Member or Member's Representative by a separate document.

3.3. *Reimbursement for Organizational Costs.* The LLC shall be authorized to elect to deduct organizational expenses and start-up expenditures ratably over a period of time as permitted by the Internal Revenue Code and as may be advised by the LLC's tax advisor.

3.4. *Member's Percentage Interests.* Member's percentage interest in this LLC shall be computed as a fraction, the numerator of which is the total of Member's capital account and the denominator of which is the total of all capital accounts of all Members. This fraction shall be expressed in this agreement as a percentage, which shall be called Member's "percentage interest" in this LLC. As of the Effective Date of this Agreement, the sole Member owns 100% interest in the LLC.

3.5. *Membership Voting.* Except as otherwise required by the Articles of Organization or by the laws of the Pueblo, Member voting on any matter submitted to the membership for approval shall be in proportion to the Member's percentage interest in this LLC. Further, unless defined otherwise for a particular provision of this operating agreement, the phrase "majority vote" means the vote of members whose combined votes equal more than 50% of the votes of all Member's Representatives. The sole initial Member shall vote through its Member's Representatives, using the procedures established by the Articles of Organization.

3.6. *Compensation.* Member's Representatives shall receive compensation for performing any duties associated with such appointment at the sole discretion of the Governor and the Council. Member's Representatives may also be paid, at the sole discretion of the Governor and the Council, for any services rendered in any other capacity for the LLC, whether as officers, employees, independent contractors or otherwise, provided that any proposed contract or agreement by this LLC with a business in which a Member Representative has a financial interest shall be disclosed to the full body of Member's Representative before considering it for approval.

3.7. *Member Meetings.* Meetings of the sole initial Member are governed by this Operating Agreement and the Articles of Organization of this LLC.

3.8. *Membership Certificates.* This LLC shall be authorized to obtain and issue certificates representing or certifying membership interests in this LLC. Each certificate issued, if any, shall show the name of the LLC, the name of the member, and state that the person or individual named is a member of the LLC and is entitled to all the rights granted Members of the LLC under the Articles of Organization, this Operating Agreement, and provisions of applicable law. Each membership certificate shall be consecutively numbered and signed by a Member's representative of this LLC. The certificates shall include any additional information considered appropriate for inclusion by the member on membership certificates.

3.8.1. In addition to the above information, all membership certificates shall bear a prominent legend on their face or reverse side stating, summarizing or referring to any transfer restrictions that apply to memberships in this LLC under the Articles of Organization, and this Operating Agreement, and the address where a member may obtain a copy of these restrictions upon request from this LLC.

3.8.2. The records book of this LLC shall contain a list of the names and addresses of all entities that contributed capital to the LLC. LLC records shall also include names and address of persons to whom certificates have been issued, show the date of issuance of each certificate, and record the date of all cancellations or transfers of membership certificates.

4. Tax and Financial Provisions.

4.1. *Tax Classification of LLC.* The Member of this LLC intends that this LLC be initially classified as a "partnership" for federal and, if applicable, state income tax purposes only.

It is understood that the Member may agree to change the tax treatment of this LLC by signing, authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

4.2. *Tax Year and Accounting Method.* The tax year of this LLC shall be “a fiscal year beginning July 1, and ending the following June 30.” The LLC shall use the modified accrual method of accounting. Both the tax year and the accounting period of the LLC may be changed with the consent of the Member’s Representatives and the Manager if the LLC qualifies for such change, and may be effected by the filing of appropriate forms with the IRS and state tax authorities.

4.3. *Tax Matters Partner.* If this LLC is required under Internal Revenue Code provisions or regulations, the Member’s Representatives shall designate the Manager as the “tax matters partner” in accordance with Internal Revenue Code Section 6231(a)(7) and corresponding regulations, who will fulfill this role by being the spokesperson for the LLC in dealings with the IRS as required under the Internal Revenue Code and Regulations, and who will report to the Member’s Representatives on the progress and outcomes of these dealings.

4.4. *Annual Income Tax Returns and Reports.* Within 60 days after the end of each tax year of the LLC, a copy of the LLC’s state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to the Member of the LLC, together with any additional information and forms necessary for the Member to complete state and federal income tax returns, if applicable. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Form K-1 (Form 1065- Partner’s Share of Income, Credits, Deductions) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.

4.5. *Bank Accounts.* The LLC shall designate one or more banks or other institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment and other such accounts as are reasonable and necessary for its business and investments. The Manager and one or more employees of the LLC shall be designated with investments. The Manager and one or more employees of the LLC shall be designated to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of the Member, Member’s Representatives or the Manager of the LLC.

4.6. *Title to Assets.* All personal property of this LLC shall be held in the name of the LLC, not in the names of the individual Member, Member’s Representatives or the Manager of the LLC.

5. Capital Provisions.

5.1. *Capital Contributions by Member.* The sole Member has made the following contributions of cash, property or services as shown below. Unless otherwise noted, cash and property described below has been paid to the LLC on or before the Effective Date of this Operating Agreement (or by final date or period for contribution). The fair market values of items of property or services as agreed between the LLC and the contributing member are also shown below. The percentage interest in the LLC that each Member has received in return for his or her capital contribution is also indicated for each member.

Name	Contribution	Fair Market Value	Percentage Interest in LLC
Pueblo de San Ildefonso	Cash	\$205,000	100%

5.2. *Additional Contributions by Member.* The Member through its Member's Representatives may agree, from time to time by majority vote, to require the payment of additional capital contributions by the Member, on or by a specific date.

5.3. *Failure to Make Contributions.* If the Member fails to make a required capital contribution within the time agreed for the Member's contribution, the Member may reschedule the time for payment of the capital contribution without penalty.

5.4. *No Interest on Capital Contributions.* No interest shall be paid on funds or property contributed as capital to this LLC, or on funds reflected in the capital accounts of the Member.

5.5. *Capital Account Bookkeeping.* A capital account shall be set up and maintained on the books of the LLC for the Member. It shall reflect the Member's capital contribution to the LLC, increased by the Member's share of profits in the LLC, decreased by the Member's share of losses and expenses of the LLC, and adjusted as required in accordance with applicable provisions of the Internal Revenue Code and corresponding income tax regulations.

5.6. *Consent to Capital Contribution Withdrawals and Distributions.* The Member shall not be allowed to withdraw any part of its capital contributions or to receive distributions, whether in property or cash, except as otherwise allowed by this Operating Agreement and, in any case, only if such withdrawal is made with the written consent of a majority vote of Member's Representatives.

5.7. *Allocations of Profits and Losses.* The profits and losses of the LLC, and all items of its income, gain, loss, deduction and credit shall be allocated to Members according to each Member's percentage interest in this LLC.

5.8. *Allocation and Distribution of Cash to Members.* Cash from LLC business operations, as well as cash from a sale or other disposition of LLC capital assets, may be distributed from time to time to each Member in accordance with each Member's percentage interest in this LLC, as may be decided by the Manager.

5.9. *Allocation of Noncash Distributions.* If proceeds consist of property other than cash, the Manager shall decide the value of the property and allocate such value to the Member in accordance with Member's percentage interest in the LLC. If such noncash proceeds are later reduced to cash, such cash may be distributed among the Members as otherwise provided in this Operating Agreement.

5.10. *Allocation and Distribution of Liquidation Proceeds.* Regardless of any other provision in this agreement, if there is a distribution in liquidation of this LLC, or when the Member's interest is liquidated in whole or in part, all items of income and loss shall be allocated to the Member's capital accounts, and all appropriate credits and deductions shall then be made to these capital accounts before any distribution is made. A final distribution shall be made to Member only to the extent of, and in proportion to, any positive balance in Member's capital account.

6. Membership Withdrawal and Transfer Provisions.

6.1. *Withdrawal of Members.* A member may withdraw from this LLC by giving written notice to the Manager at least 60 days before the date the withdrawal is to be effective.

6.2. *Restrictions on the Transfer of Membership.* No interests in the LLC may be transferred by Member unless the following conditions are first satisfied:

6.2.1. Consent by and a majority vote of the Member's Representatives has been obtained, which may be granted or withheld in Member's sole discretion, such consent to be evidenced by a written instrument, dated and signed by appropriate Member's Representatives;

6.2.2. The transferee and Member, acting through an authorized representative, execute and file all documents necessary for the transferee to be a substitute Member and be bound by the terms hereof and such transferee is admitted as a substitute Member;

6.2.3. The LLC receives an Opinion of Counsel that such transfer would not materially adversely affect the classification of the LLC as a partnership for federal and state income tax purposes;

6.3. *Transfers.* The LLC need not recognize, for any purpose, any transfer of all or any fraction of a Member's interest unless there shall be filed with the LLC and recorded on the LLC's books a duly executed and acknowledged counterpart of the instrument of assignment and such instrument evidences the written acceptance by the Assignee of all of the terms and provisions of

this Agreement and represents that such assignment was made in accordance with all applicable laws and regulations.

6.4. *Transfer Restrictions.* Notwithstanding the other provisions of this Section, no transfer of any interest of Member in the LLC shall be made if the transfer (i) would violate applicable federal and state securities laws or rules and regulations of the Securities and Exchange Commission, any state securities commission or any other governmental authority with jurisdiction over the transfer; (ii) would materially adversely affect the classification of the LLC as a partnership for federal or state income tax purposes, (iii) would affect the LLC's qualification as a limited liability company under applicable Law; or (iv) would materially affect the LLC's qualification for funding, programs, or certifications provided by the Small Business Administration in effect at the time of transfer.

7. **Dissolution Provisions.**

7.1. *Events that Trigger Dissolution of the LLC.* The following events shall trigger a dissolution of the LLC, except as provided:

7.1.1. The Withdrawal or bankruptcy of a member, except that within 60 days of the happening of any of that event, Member's Representatives vote to continue the legal existence of the LLC, in which case the LLC shall not dissolve;

7.1.2. The written consent of the initial Member, acting through its authorized representatives, to dissolve the LLC;

7.1.3. Entry of a decree of dissolution of the LLC under applicable law;

7.1.4. Dissolution is initiated pursuant to the Articles of Organization.

8. **General Provisions.**

8.1. *Records.* The LLC shall keep at its principal business address a copy of all proceedings of Member's Representatives' meetings, as well as books of account of the LLC's financial transactions. A list of the names and addresses of the current membership of the LLC also shall be maintained at this address, with notations on any transfers of Member's interest to a nonmember or entity being admitted into membership in the LLC. A list of the current Manager's name and address shall also be kept at this address.

8.1.1. Copies of the LLC's Articles of Organization, a signed copy of this operating agreement, and the LLC's tax returns for the preceding six tax years shall be kept at the principal business address of the LLC. A statement also shall be kept at this address containing any of the following information that is applicable to this LLC;

8.1.1.1. The amount of cash or a description and value of property contributed or agreed to be contributed as capital to the LLC by the Member;

8.1.1.2. A schedule showing when any additional capital contributions are to be made by the Member to this LLC;

8.1.1.3. A statement or schedule, if appropriate, showing the rights of Member to receive distributions representing a return of part or all of Member's capital contributions; and

8.1.1.4. A description of, or date when, the legal existence of the LLC will terminate under provisions in the LLC's Articles of Organization, or this operating agreement.

8.1.2. If one or more of the above items is included or listed in this operating agreement, it will be sufficient to keep a copy of this agreement at the principal business address of the LLC without having to prepare and keep a separate record of such item or items at this address.

8.1.3. Any Member's Representatives, Council Member, and Governor of the Pueblo may inspect any and all records maintained by the LLC upon reasonable notice to the LLC. Copying of the LLC's records is allowed.

8.2. *All Necessary Acts.* The Manager of this LLC is authorized to perform all acts necessary to perfect the organization of this LLC and to carry out its business operations expeditiously and efficiently. The Manager may certify to other business, financial institutions and individuals as to his or her authority to transact specific items of business on behalf of the LLC.

8.3. *Sue and Be Sued.* To the extent set forth in the LLC's Articles of Organization, this LLC is authorized to sue and be sued in its LLC name. This consent is specifically limited to exclude any suit against the LLC not authorized by either the limited waiver of sovereign immunity in the LLC's Articles of Organization, or a waiver of immunity executed by the LLC in accordance with the Articles of Organization. This consent is specifically limited to exclude any suit against the Pueblo de San Ildefonso, a federally-recognized Indian tribal government, or any of its parts, including other business entities it may own.

8.4. *Entire Agreement.* This Operating Agreement represents the entire agreement between the Member and the Manager of this LLC, and it shall not be amended, modified, or replaced except by a written instrument executed by the Member's Representatives as well as any and all additional parties who become members of this LLC after the adoption of this agreement. This agreement replaced and supersedes all prior written and oral agreements by the Member of this LLC.

8.5. *Severability.* If any provision of this agreement is determined by a court of competent jurisdiction, to be invalid, unenforceable or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.

8.6. *Governing Law.*

8.6.1. *Member/Manager Disputes.* The laws of the Pueblo de San Ildefonso, including the Articles of Organization of this LLC, shall be used to interpret the terms and conditions of this Operating Agreement. Where no written Pueblo de San Ildefonso law exists, to the extent such law is consistent with the tradition and common law of the Pueblo, the parties shall apply federal law. If no federal law is applicable to the issue(s) arising from the Agreement, the parties shall apply the laws of the State of New Mexico to the extent such law is consistent with the traditions and common law of the Pueblo. If no federal or state of New Mexico law can be applied, the parties shall look to legal precedents of other Pueblos, tribes, and other states, foreign and domestic, to the extent such law is consistent with the traditions and common law of the Pueblo.

8.6.2. *Disputes between LLC and Third Parties.* For an agreement between the LLC and a third party, the governing law provision from such agreement shall apply. In all other cases addressing disputes between the LLC or its Manager/Member/Member's Representatives, and third parties, the court shall apply federal law. If no federal law is applicable to the issue(s), then the laws of the State of New Mexico shall apply.

8.7. *Dispute Resolution.*

8.7.1. *Mediation.* It is agreed that if a dispute arises concerning the matters set forth in this Operating Agreement and the dispute cannot be resolved by the parties, the party making the claim of non-compliance shall deliver to the other party a written notice thereof, specifying, in detail the nature of the actions or failures to act that are alleged to be contrary to the terms of this Agreement. If after fifteen (15) days following the receipt of the notice of claim the matter remains unresolved, the parties shall submit the dispute to a professional mediator. The parties shall bear their own costs and shall share the costs of the mediator

8.7.2. *Arbitration.* In the event that mediation does not result in resolution of the dispute, the party making the claim of non-compliance can, by written notice to the other party, invoke arbitration as to the dispute using a single arbitrator. The parties agree that the arbitrator shall be an attorney who is licensed in good standing of the State Bar of New Mexico, and shall have experience in Indian Affairs. The arbitration shall be conducted in New Mexico and the decision of the arbitrator shall be final. All parties shall bear their own costs of arbitration and attorneys fees.

9. Signatures of Authorized Representatives of Member and Manager.

9.1. *Execution of Agreement.* In witness whereof, the Member of this LLC and the Manager sign and adopt this agreement as the Operating Agreement for San Ildefonso Services, LLC.

9.2. *Signature of Member.*

Member: Pueblo de San Ildefonso Member's Representatives

Date: 12-17-2018

Signature: 

Printed Name: Perry M. Martinez, On Behalf of Authorized Member's Representatives

9.3 *Signature of Manager.* The undersigned Manager of this LLC has read this agreement and agrees to be bound by its terms in discharging his or her duties as Manager.

Date: 12/17/2018

Signature: 

Printed Name: Dominic Pruitt